

ASSEMBLY BILL

No. 2416

Introduced by Assembly Member Torrico

February 23, 2006

An act to amend Section 22317 of the Financial Code, relating to loans.

LEGISLATIVE COUNSEL'S DIGEST

AB 2416, as introduced, Torrico. Consumer loans: appraisal fees.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation by the Commissioner of Corporations of those engaged in making consumer loans and makes a willful violation of the law a crime. Under existing law, an appraisal fee may be charged by a licensee on any loan made that is secured by real property if specified requirements are satisfied. Existing law provides that only one fee for appraising the same real property may be collected unless the borrower has obtained a new or additional loan and more than one year has elapsed since the prior appraisal.

This bill would instead specify that only one fee for appraising the same real property may be collected unless the borrower has obtained a new or additional loan and more than six months has elapsed since the prior appraisal.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22317 of the Financial Code is
2 amended to read:

1 22317. On any loan made that is secured by real property, an
2 appraisal fee not to exceed the actual cost of the appraisal may be
3 charged by the licensee if a written appraisal is provided to the
4 licensee by a qualified appraiser. Only one fee for appraising the
5 same real property may be collected unless the borrower has
6 obtained a new or additional loan and more than ~~one year~~ *six*
7 *months* has elapsed since the prior appraisal. The fee is not
8 included in charges as defined in this division or in determining
9 the maximum charges that may be made under this article.

O